

## **Senate Bill No. 381**

### **CHAPTER 173**

An act to amend Sections 11521.3 and 11521.6 of the Insurance Code, relating to annuities.

[Approved by Governor September 6, 2005. Filed with  
Secretary of State September 6, 2005.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

SB 381, Denham. Charitable annuities: exemptions.

Existing law allows certain organizations and persons, known as grants and annuities societies, to receive transfers of property, conditioned upon their agreement to pay an annuity to the transferor, after obtaining a certificate of authority from the Insurance Commissioner. Existing law exempts a grants and annuities society from specified regulatory requirements if it also holds a certificate of authority as an insurer from the commissioner.

This bill would add regulatory provisions relating to the maintenance of reserves, annuity agreement terms, the transaction of variable annuities, and the filing of a specified financial statement to the provisions from which a grants and annuities society is exempt if it also holds a certificate of authority as an insurer.

*The people of the State of California do enact as follows:*

SECTION 1. Section 11521.3 of the Insurance Code is amended to read:

11521.3. (a) Prior to admission each applicant shall file with the commissioner an accurate and complete financial statement consisting of a balance sheet and income and expense statement, showing the current condition of the applicant and sworn to by the officer of the applicant having the responsibility for preparing the statement.

(b) If the applicant is already transacting a grants and annuities business in another state, an accurate and complete financial statement showing the condition of the present grants and annuities business, sworn to by the officer having the responsibility for preparing the statement, shall be submitted.

(c) One hundred and twenty days after the end of their fiscal year, every certificate holder, except a certificate holder that also holds a certificate of authority pursuant to Article 3 (commencing with Section 699) of Chapter 1 of Part 2 of Division 1, shall make and file with the commissioner an accurate and complete financial statement, consisting of a balance sheet and income and expense statement, showing the current condition of the

certificate holder's grants and annuities operation on a form prescribed by the commissioner.

SEC. 2. Section 11521.6 of the Insurance Code is amended to read:

11521.6. Nothing contained in Section 11521, 11521.1, 11521.2, 11521.4, 11523.6, or subdivision (e) of Section 11523 shall apply to any grants and annuities certificate holder that also holds a certificate of authority pursuant to Article 3 (commencing with Section 699) of Chapter 1 of Part 2 of Division 1.